

**EMPLOYERS CONTRIBUTION TO
PUBLIC EMPLOYEES RETIREMENT SYSTEM**

<u>Year</u>	<u>Contribution*</u>	<u>Employer's Contribution</u>
1999	13.55%	\$5,676,196
2000	10.84	3,835,129
2001	13.55	4,947,282
2002	13.55	5,636,520
2003	13.55	6,885,599

* The contribution rate for the County Sheriff's Department's 1996-1999 was 16.70% employer, 9.0% employee, a temporary contribution rate rollback for 2000 reduced the rate to 15.7%. The retirement Board instituted a temporary employer contribution rate rollback for 2000 the rollback was 20% for local government employees and 6% for law enforcement divisions.

County employees are covered by the Public Employees Retirement System (PERS). This system includes both employee and employer payments. The County's contributions are current and fully met as required by law. Annual contributions include provision for reserves to properly fund pension and other benefits payable on account for creditable service. The system is annually evaluated by nationally recognized actuarial consultants.

The PERS Board has the authority to increase the employee contribution rate up to 10% and the employer rate up to 14%, except as to County Sheriffs and their deputies. Benefits for members of PERS are established under state laws.

The County's annual contribution, which totaled \$6,885,599 for 2003, is treated as a current expense and is included in its operating expenditures.

LEGAL MATTERS

Litigation

The County is a party to various legal proceedings seeking damages or injunctive relief and generally incidental to its operations but unrelated to any outstanding County debt or the security therefore. The ultimate disposition of these proceedings is not presently determinable but will not, in the opinion of the County Prosecuting Attorney (the legal advisor to the Board of County Commissioners), have a material adverse effect on any outstanding County debt or the security therefor.

Bond Counsel

The County retains the legal services of Peck, Shaffer & Williams LLP, Cincinnati, Ohio as Bond Counsel in connection with the issuance of the bonds and notes of the County.

Peck, Shaffer & Williams LLP also serves and has served in a bond counsel capacity for one or more of the political subdivisions that territorially overlap the County.